

AMENDED IN SENATE JULY 15, 2009

AMENDED IN SENATE JUNE 16, 2009

AMENDED IN ASSEMBLY MAY 5, 2009

AMENDED IN ASSEMBLY APRIL 16, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 800

Introduced by Assembly Member Duvall

February 26, 2009

An act to amend Sections 1644, 1652, 1655, 1656, 1658, 1661, 1683, 1718, 1729, 1749, 1749.3, 1749.31, 1751, 1758.3, 1758.692, 1758.7, 1758.81, 1758.92, and 12418.3 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 800, as amended, Duvall. Insurance omnibus.

Existing law regulates the licensing and the renewal of licensing of insurance agents, adjusters, and brokers by specifying who is eligible for a license and the requirements for applying for or renewing a license.

This bill would state that a person under 18 years of age is not eligible to apply for certain specified licenses. This bill would ~~authorize the Insurance Commissioner to~~ require the use of electronic forms of application for certain licenses and, *except as specified* would authorize the commissioner to electronically deliver forms to renew certain licenses to licensees, as specified. This bill would require a person applying for certain insurance licenses to supply the commissioner with his or her e-mail address, in addition to a mailing address, as specified.

Existing law requires applicants for certain licenses to meet certain prelicensing education standards, as specified.

This bill would delete the prelicensing education requirement for resident applicants who currently hold a nonresident license.

Existing law requires the commissioner to charge a fee for the filing of an application or request for a copy of, or a duplicate license for licenses related to disability insurance, surplus lines, bail, life and disability analysts, and motor clubs, as specified.

This bill would delete that requirement.

Existing law requires specified persons who are licensed as life-only agents, accident and health agents, or fire and casualty broker agents to complete certain prelicensing and continuing education requirements. Existing law exempts a licensee from these requirements if the licensee submits proof satisfactory to the Insurance Commissioner that he or she has been a licensee in good standing for 30 continuous years in California and is 70 years of age or older.

This bill would provide that this exemption shall not apply to those individuals licensed for the first time on or after January 1, 2010.

Existing law requires a person licensed as a personal lines broker-agent to complete 20 hours of continuing education during each 2-year license term, as specified.

This bill would increase that requirement to 24 hours of continuing education.

Existing law prohibits nonresident insurance organizations from using residents of California to exercise the powers and perform the duties of their license in California.

This bill would delete that prohibition and allow nonresident insurance organizations to use California residents to conduct their business in California.

Existing law requires a life agent or applicant to take and pass a written qualifying test before the commissioner can grant the person authority to transact variable contracts, as specified.

This bill would delete the requirement for passing a written test and would correct an erroneous cross-reference to federal authority.

Existing law requires a person employed as a title marketing representative to hold a certificate of registration issued by the insurance commissioner. Under existing law, the commissioner must mail an application to renew a registration not less than 60 days before a certificate of registration will expire.

This bill would authorize the commissioner to mail or use an electronic delivery method to deliver the application, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1644 of the Insurance Code is amended
2 to read:

3 1644. A person under 18 years of age is not eligible to apply
4 for a license pursuant to this chapter, Chapter 5A (commencing
5 with Section 1759), Chapter 6 (commencing with Section 1760),
6 and Chapter 7 (commencing with Section 1800) of Part 2 of
7 Division 1, and Chapter 1 (commencing with Section 14000) and
8 Chapter 2 (commencing with Section 15000) of Division 5.

9 SEC. 2. Section 1652 of the Insurance Code is amended to
10 read:

11 1652. (a) A license under this chapter, Chapter 5A
12 (commencing with Section 1759), Chapter 6 (commencing with
13 Section 1760), Chapter 7 (commencing with Section 1800), and
14 Chapter 8 (commencing with Section 1831), of Part 2 of Division
15 1, and Chapter 1 (commencing with Section 14000) and Chapter
16 2 (commencing with Section 15000) of Division 5 shall be applied
17 for, and renewed by the filing with the commissioner of a written
18 application therefor. The application shall be on a form prescribed
19 by the commissioner, which form shall prescribe the disclosure of
20 information that will aid the commissioner in determining whether
21 the prerequisites for the license sought have been met. The
22 applicant shall declare, under penalty of perjury, that the contents
23 of the application are true and correct.

24 (b) The forms prescribed by the commissioner other than for
25 renewal applications may require authenticated fingerprints of any
26 of the following:

- 27 (1) Individual applicants.
28 (2) Specified partners or officers of organization applicants.
29 (3) The individuals who are to transact insurance for an
30 organization applicant.

31 (c) The forms may require the fingerprints to be affixed to the
32 application or to an attachment to be affixed to the application.
33 The commissioner, in his or her discretion, may require the

1 fingerprints on applications for any, some, or all of the licenses
2 issued pursuant to this chapter or Chapter 6 (commencing with
3 Section 1760), Chapter 7 (commencing with Section 1800), or
4 Chapter 8 (commencing with Section 1831), provided that as to
5 any one such type of license the requirement is applied without
6 discrimination to all applicants within specified classifications.
7 The classifications may be made upon any or all of the following
8 bases:

9 (1) Length of continuous residence in this state.

10 (2) Whether or not previously or currently licensed by the
11 commissioner.

12 (3) Whether or not currently licensed by specified regulatory
13 agencies of the State of California which require fingerprints on
14 applications for licenses and routinely process the fingerprints for
15 positive identification.

16 (4) Other reasonable criteria.

17 (d) The commissioner may decline to act on an incomplete or
18 defective application until an amended application which completes
19 the prescribed form is filed with him or her.

20 SEC. 3. Section 1655 of the Insurance Code is amended to
21 read:

22 1655. No application for a license shall be deemed filed unless
23 the document has been submitted by a means of electronic service
24 approved by the commissioner, and the proper filing fee, including
25 any required application fee for any qualifying examination
26 required by this chapter, Chapter 5A (commencing with Section
27 1759), Chapter 6 (commencing with Section 1760), and Chapter
28 7 (commencing with Section 1800) of Part 2 of Division 1, or
29 Chapter 1 (commencing with Section 14000) and Chapter 2
30 (commencing with Section 15000) of Division 5 for the license
31 applied for has been paid. *However, an applicant may, for good*
32 *cause shown, request an exemption to the electronic filing*
33 *requirement.*

34 SEC. 4. Section 1656 of the Insurance Code is amended to
35 read:

36 1656. Every applicant for an organizational license shall
37 provide the names of all licensed persons who may exercise the
38 power and perform the duties under the license. Applicants for a
39 nonresident organizational license must name at least one person
40 from a state other than California who may exercise the power and

1 perform the duties under their license. Additional persons endorsed
2 to that license may be residents of other states, including California.

3 SEC. 5. Section 1658 of the Insurance Code is amended to
4 read:

5 1658. Each application filed by a natural person for a license
6 shall contain the residence address, the principal business address,
7 and the mailing address of the applicant. The application shall also
8 contain the e-mail address to which the applicant wants the
9 commissioner to direct all license-related correspondence. Each
10 application for an organization license shall contain the principal
11 business address and the mailing address of the applicant. The
12 application shall also contain the e-mail address to which the
13 applicant wants the commissioner to direct all license-related
14 correspondence.

15 SEC. 6. Section 1661 of the Insurance Code is amended to
16 read:

17 1661. Whenever an organization licensed as a life agent, or a
18 fire and casualty broker-agent desires to change, remove, or add
19 to the natural person or persons who are to transact insurance under
20 authority of its license, it shall immediately file an application or
21 notice on a form prescribed by the commissioner with the
22 commissioner for an endorsement changing its license accordingly.
23 The form must be submitted by a means of electronic service
24 approved by the commissioner. The commissioner shall require
25 that the preclicensing education standards set forth in Section 1749
26 be met and that the qualifying examination provided by this code
27 be taken by any natural person named by the organization to
28 exercise its agency or brokerage powers who would be required
29 to take and pass the qualifying examination. That natural person
30 or persons and the organization are in all other respects subject to
31 the provisions of this chapter and the insurance laws.

32 SEC. 7. Section 1683 of the Insurance Code is amended to
33 read:

34 1683. An applicant shall schedule or reschedule his or her
35 qualifying examination using an electronic service approved by
36 the commissioner. If an applicant fails to appear at the time and
37 place set for the examination, he or she shall be deemed to have
38 failed the examination. If the applicant fails the qualifying
39 examination, the commissioner shall give him or her written notice
40 thereof.

SEC. 8. Section 1718 of the Insurance Code is amended to read:

1718. (a) Not less than 60 days before a permanent license will expire, the commissioner may use an electronic delivery method, including e-mail or other similar electronic method of delivery, to deliver, or may mail, to the latest e-mail or mailing address appearing on his or her records, an application to the licensee to renew the license for the appropriate succeeding license term. It is the licensee's responsibility to renew whether or not a renewal notice is received. The commissioner may accept a late renewal, provided the licensee's failure to comply is due to clerical error or inadvertence on the part of the department.

(b) Application for renewal of a license may be filed on or before the expiration date. When filed under this subdivision, the fee for filing shall be as specified in Section 1750.

(c) The application for renewal of an expired license may be filed after the expiration date and until that same month and day of the next succeeding year. The fee for a renewal application under this subdivision shall be the fee specified in subdivision (b) and a delinquent fee in the amount specified for a one-year period in Section 1750 for the filing. Each licensee shall be subject to payment of delinquent fees under this section.

SEC. 9. Section 1729 of the Insurance Code is amended to read:

1729. Every licensee and every applicant for a license shall immediately notify the commissioner using an electronic service approved by the commissioner of any change in his or her e-mail or mailing address as given to the commissioner pursuant to Sections 1658 and 1728.

SEC. 10. Section 1749 of the Insurance Code is amended to read:

1749. The department shall require all new applicants for license as a fire and casualty broker-agent, limited lines automobile insurance agent, personal lines broker-agent, life-only agent, or accident and health agent to meet prelicensing education standards as follows:

(a) Require a minimum of 40 hours of prelicensing study as a prerequisite to qualification for a fire and casualty broker-agent license. The curriculum for satisfying this requirement shall be approved by the curriculum board and submitted to the

1 commissioner for final approval. Any additions to the minimum
2 requirements provided by this section shall be approved by the
3 curriculum board pursuant to Section 1749.1 and certified by the
4 department.

5 (b) Require a minimum of 20 hours of prelicensing study as a
6 prerequisite for qualification for a personal lines broker-agent
7 license. The curriculum for satisfying this requirement shall be
8 approved by the curriculum board and submitted to the
9 commissioner for final approval. Any additions to the minimum
10 requirements provided by this section shall be approved by the
11 curriculum board pursuant to Section 1749.1 and certified by the
12 department.

13 (c) Require a minimum of 20 hours of prelicensing study as a
14 prerequisite for qualification for a life-only agent license. The
15 curriculum for satisfying this requirement shall be approved by
16 the curriculum board and submitted to the commissioner for final
17 approval. Any additions to the minimum requirements provided
18 by this section shall be approved by the curriculum board pursuant
19 to Section 1749.1 and certified by the department.

20 (d) Require a minimum of 20 hours of prelicensing study as a
21 prerequisite for qualification for a limited lines automobile
22 insurance agent license. The curriculum for satisfying this
23 requirement shall be approved by the curriculum board and
24 submitted to the commissioner for final approval. Any additions
25 to the minimum requirements under this section shall be approved
26 by the curriculum board pursuant to Section 1749.1 and certified
27 by the department.

28 (e) Require a minimum of 20 hours of prelicensing study as a
29 prerequisite for qualification for an accident and health insurance
30 agent license. The curriculum for satisfying this requirement shall
31 be approved by the curriculum board and submitted to the
32 commissioner for final approval. Any additions to the minimum
33 requirements under this section shall be approved by the curriculum
34 board pursuant to Section 1749.1 and certified by the department.
35 This curriculum shall also include instruction in workers'
36 compensation and general principles of employers' liability.

37 (f) In addition to the 40 hours of prelicensing education required
38 to qualify for a license as a fire and casualty broker-agent, the 20
39 hours of prelicensing education required to qualify for a license
40 as a personal lines broker-agent, a life-only agent, or an accident

1 and health agent, or the 20 hours of prelicensing education required
2 to qualify for a license as a limited lines automobile insurance
3 agent, the department shall require 12 hours of study on ethics and
4 this code. Where an applicant seeks a license for more than one
5 of the following license types: a fire and casualty broker-agent
6 license, a personal lines broker-agent license, a life-only license,
7 or an accident and health license, the applicant shall only be
8 required to complete one 12-hour course on ethics and this code.
9 The curriculum for satisfying this requirement shall be approved
10 by the curriculum board and submitted to the commissioner for
11 final approval.

12 (g) An applicant for a life-only agent license, an accident and
13 health license, a personal lines broker-agent license, or a limited
14 lines automobile insurance agent license, who is currently licensed
15 as a nonresident in this state shall be required to complete only the
16 course of study on ethics and the Insurance Code, as required by
17 Section 1749. Additionally, any applicant for such a license holding
18 one or more of the designations specified in subdivisions (a) to
19 (p), inclusive, of Section 1749.4 shall be exempted from any
20 requirement for courses in general insurance that would otherwise
21 be a condition of issuance of the license.

22 (h) An applicant for a fire and casualty broker-agent license
23 who is currently licensed as a nonresident in this state shall be
24 required to complete only the course of study on ethics and this
25 code, as required by subdivision (f). Additionally, any applicant
26 for such a license holding one or more of the designations specified
27 in subdivisions (a) to (p), inclusive, of Section 1749.4, shall be
28 exempted from any requirement for courses in general insurance
29 that would otherwise be a condition of issuance of a license.

30 (i) An applicant for a fire and casualty broker-agent license who
31 is licensed as a personal lines agent shall complete a minimum of
32 20 hours of prelicensing study as a prerequisite. The curriculum
33 for satisfying this requirement shall be approved by the curriculum
34 board and submitted to the commissioner for final approval. The
35 applicant shall not be required to repeat any prelicensing
36 requirements completed as a prerequisite to being licensed as a
37 personal lines agent.

38 (j) Review and approval of prelicensing courses not conducted
39 in a classroom, as referenced in subdivisions (a) to (i), inclusive,
40 shall include an evaluation of the safeguards in place to ensure

1 that the student completing the course is the person enrolled in the
2 course, methods used to monitor the students' attendance are
3 adequate, methods for the student to interact with the entity
4 providing the training exist, and methods used to record the times
5 spent completing the course are adequate.

6 (k) Prelicensing certificates of completion expire three years
7 from the completion date of the course, whether or not a license
8 is issued.

9 SEC. 11. Section 1749.3 of the Insurance Code is amended to
10 read:

11 1749.3. (a) An individual licensed as a life-only agent or an
12 accident and health agent and also licensed as a fire and casualty
13 broker-agent, or an individual only licensed as a fire and casualty
14 broker-agent, shall complete those courses, programs of instruction,
15 or seminars approved by the commissioner for the type of license
16 held. Completion of specified product training required in
17 subdivision (d) of Section 1749.33, subdivision (b) of Section
18 1749.8, and paragraph (4) of subdivision (a) of Section 10234.93
19 may result in the completion of more than the minimum of required
20 continuing education hours. The minimum number of hours
21 required is as follows:

22 (b) During each of the first four 12-month periods following
23 the date of the original license issuance, a minimum of 25 hours.

24 (c) Any licensee who has complied with subdivision (b) in the
25 first four years, shall thereafter satisfactorily complete 24 hours
26 of instruction prior to renewal of the license. These hours of
27 instruction may be completed at any time prior to renewal of the
28 license.

29 (d) An individual licensed as a fire and casualty broker-agent
30 and as a life-only agent or an accident and health agent shall satisfy
31 the requirements of this section by demonstrating completion of
32 the courses, programs of instruction, or seminars approved by the
33 commissioner for any of the license types listed in subdivision (a).

34 (e) A licensee shall not be required to comply with the
35 requirements of this article if the licensee submits proof satisfactory
36 to the commissioner that he or she has been a licensee in good
37 standing for 30 continuous years in this state and is 70 years of
38 age or older. This exemption shall not apply to those individuals
39 licensed for the first time on or after January 1, 2010.

1 SEC. 12. Section 1749.31 of the Insurance Code is amended
2 to read:

3 1749.31. (a) An individual licensed as a personal lines
4 broker-agent shall complete required continuing education courses,
5 programs of instruction, or seminars approved by the
6 commissioner. The personal lines broker-agent shall complete 24
7 hours during each two-year license term as defined in subdivision
8 (d) of Section 1625.5.

9 (b) An individual licensed as a personal lines broker-agent and
10 as a life-only agent or accident and health agent shall satisfy the
11 requirements of this section by satisfactorily completing 24 hours
12 of instruction prior to renewal of the license.

13 SEC. 13. Section 1751 of the Insurance Code is amended to
14 read:

15 1751. The commissioner shall require, in advance, a fee for
16 filing the following documents:

17 (a) Application for registration of change in membership of a
18 copartnership licensed as any of the following:

19 (1) Fire and casualty broker-agent, fifty-six dollars (\$56).

20 (2) Life agent, resident, forty-eight dollars (\$48).

21 (3) Life agent, nonresident, fifty-three dollars (\$53).

22 (4) Personal lines broker-agent, fifty-six dollars (\$56).

23 (b) Notice for adding or removing from any life agent's, fire
24 and casualty broker-agent's, or personal lines broker-agent's license
25 issued to an organization the name of any natural person named
26 thereon, sixteen dollars (\$16).

27 (c) First amendment to an application, eight dollars (\$8); a
28 second and each subsequent amendment to an application, sixteen
29 dollars (\$16).

30 (d) Original application to be given the qualifying examination
31 for a license of a fire and casualty or personal lines licensee,
32 twenty-seven dollars (\$27) for each person to be examined.

33 (e) Original application to be given the qualifying examination
34 for a license of a life licensee, twenty-seven dollars (\$27) for each
35 person to be examined.

36 (f) Application for reexamination for any of the licenses
37 mentioned in this section, twenty-seven dollars (\$27) for each
38 person to be reexamined.

39 (g) Application which includes a request for a certificate of
40 convenience pursuant to Article 8 (commencing with Section

1 1685), twenty dollars (\$20) in addition to, and not in lieu of, fees
2 otherwise required.

3 (h) Application or request for approval of a true or fictitious
4 name pursuant to Section 1724.5, thirty dollars (\$30), except that
5 there shall be no fee when the name is contained in an original
6 application.

7 (i) "A ratification of appointments of agents" whereby the
8 surviving insurer in a merger or consolidation assumes
9 responsibility for all agents then lawfully appointed for one of the
10 constituent insurers and makes each its agent, one hundred three
11 dollars (\$103).

12 (j) An application or request for approval of:

13 (1) A training course pursuant to Section 1691, except when
14 filed by a degree-conferring college or university, a public
15 educational institution, or by a private nonprofit educational
16 institution, one hundred three dollars (\$103).

17 (2) An arrangement whereby an insurer may qualify certificate
18 of convenience holders pursuant to Section 1691 by means of an
19 approved course given on the insurer's behalf by a school or
20 organization other than itself, fifty-five dollars (\$55).

21 (k) A bond, pursuant to Article 5 (commencing with Section
22 1662) or Section 1760.5 or 1765, except when the bond constitutes
23 part of an original application filing, sixteen dollars (\$16).

24 (l) An application or request for clearance and cancellation
25 notice of a current licensee of record, sixteen dollars (\$16).

26 (m) An amended action notice pursuant to subdivision (e) of
27 Section 1704, five dollars (\$5).

28 SEC. 14. Section 1758.3 of the Insurance Code is amended to
29 read:

30 1758.3. The commissioner shall not grant authority to transact
31 variable contracts unless the life agent or applicant furnishes proof
32 that he or she is registered to sell securities in accordance with the
33 rules of the United States Securities and Exchange Commission
34 or the Financial Industry Regulatory Authority.

35 SEC. 15. Section 1758.692 of the Insurance Code is amended
36 to read:

37 1758.692. (a) Not less than 60 days before a permanent license
38 will expire, the commissioner may use an electronic delivery
39 method, including e-mail or other similar electronic method of
40 delivery, to deliver, or may mail, to the latest e-mail or mailing

1 address appearing on his or her records, an application to the
2 licensee to renew the license of a communications equipment
3 insurance agent and any endorsees for the appropriate succeeding
4 license term. It is the licensee's responsibility to renew, whether
5 or not a renewal notice is received.

6 (b) The commissioner may accept a late renewal without penalty,
7 provided that the licensee's failure to comply is due to a clerical
8 error or inadvertence.

9 (c) An application for renewal of a license may be filed on or
10 before the expiration date. An application for renewal of an expired
11 license may be filed after the expiration date and until that same
12 month and date of the next succeeding year.

13 (d) The commissioner shall impose a penalty fee equal to
14 one-half of the renewal fee for the communications equipment
15 insurance agent license and any endorsees for any renewal that is
16 filed after the expiration date of the license.

17 SEC. 16. Section 1758.7 of the Insurance Code is amended to
18 read:

19 1758.7. (a) No self-service storage facility, or franchisee of a
20 self-service storage facility, shall offer or sell insurance unless it
21 has complied with the requirements of this article and has been
22 issued a license by the commissioner as provided in this article.

23 (b) The commissioner may issue to a self-service storage facility,
24 or its franchisee, that has complied with the requirements of this
25 article, a license that authorizes the self-service storage facility or
26 its franchisee to offer or sell the types of insurance specified in
27 Section 1758.75 in connection with and incidental to rental
28 agreements on behalf of any insurer authorized to write those types
29 of insurance policies in this state.

30 (c) (1) The license period shall be a two-year period beginning
31 as described in subparagraph (A) or (B) of paragraph (2), as
32 applicable, and ending on the second succeeding year on the last
33 calendar day of the month in which the initial license was issued.

34 (2) The commencement of a license period shall be determined
35 for each self-service storage facility or franchisee of a self-service
36 storage facility, as follows:

37 (A) Upon initial licensing, the license period begins on the date
38 the license is issued.

1 (B) Upon license renewal, the license period begins on the first
2 day of the month following the month in which the initial license
3 was issued.

4 (3) (A) Not less than 60 days before a permanent license will
5 expire, the commissioner may use an electronic delivery method,
6 including e-mail or other similar electronic method of delivery, to
7 deliver, or may mail, to the latest e-mail or mailing address
8 appearing on his or her records, an application to the licensee to
9 renew the license for the appropriate succeeding license period. It
10 is the licensee's responsibility to renew whether or not a renewal
11 application is received. The commissioner may accept a late
12 renewal without penalty, provided that the licensee's failure to
13 comply is due to clerical error or inadvertence on the part of the
14 department.

15 (B) The application for renewal of a license shall be filed on or
16 before the expiration date.

17 (C) The application for renewal of an expired license may be
18 filed after the expiration date and until the same month and day
19 of the next succeeding year. A licensee who files the renewal
20 application after the license has expired shall be charged, in
21 addition to the renewal fee, a penalty of 50 percent of the renewal
22 fee.

23 (d) The applicant for a license pursuant to this section shall
24 submit an application fee upon initial application and upon renewal
25 application in the amount or amounts determined by the department
26 as sufficient to defray its actual cost of processing the applications
27 and implementing this article.

28 (e) Costs associated with any enforcement action or investigation
29 shall be paid for by the person or organization licensed pursuant
30 to this article.

31 SEC. 17. Section 1758.81 of the Insurance Code is amended
32 to read:

33 1758.81. (a) An applicant for a rental car agent license under
34 this article shall file the following documents with the
35 commissioner:

36 (1) A written application for licensure, signed by the applicant
37 or an officer of the applicant, in the form prescribed by the
38 commissioner.

39 (2) A certificate by the insurer that is to be named in the rental
40 car agent license, stating that the insurer has satisfied itself that

1 the named applicant is trustworthy and competent to act as its
2 insurance agent limited to this purpose and that the insurer will
3 appoint the applicant to act as its agent to transact the kind or kinds
4 of insurance that are permitted by this article, if the rental car agent
5 license applied for is issued by the commissioner. The certification
6 shall be subscribed by an officer or managing agent of the insurer
7 on a form prescribed by the commissioner.

8 (3) An application fee, and each license period thereafter, a
9 renewal fee, in an amount or amounts determined by the
10 department as sufficient to defray the department's actual cost of
11 processing the application or renewal and implementing this article.

12 (4) Not less than 60 days before a permanent license will expire,
13 the commissioner may use an electronic delivery method, including
14 e-mail or other similar electronic method of delivery, to deliver,
15 or may mail, to the latest e-mail or mailing address appearing on
16 his or her records, an application to the licensee to renew the license
17 for the appropriate succeeding license period. It is the licensee's
18 responsibility to renew whether or not a renewal application is
19 received. The commissioner may accept a late renewal without a
20 penalty, provided the licensee's failure to comply is due to clerical
21 error or inadvertence on the part of the department.

22 (A) The application for renewal of a license shall be filed on or
23 before the expiration date.

24 (B) The application for renewal of an expired license may be
25 filed after the expiration date and until that same month and day
26 of the next succeeding year. A licensee who files the renewal
27 application after the license has expired shall be charged, in
28 addition to the renewal fee, a penalty of 50 percent of the renewal
29 fee.

30 (b) Notwithstanding any other provision of law to the contrary,
31 Sections 1667, 1668, 1668.5, 1669, 1670, 1720, 1738, and 1739
32 apply to any application for or issuance of a license pursuant to
33 this article.

34 (c) Costs associated with any enforcement action or investigation
35 shall be paid for by the person or organization licensed pursuant
36 to this article.

37 SEC. 18. Section 1758.92 of the Insurance Code is amended
38 to read:

1 1758.92. (a) An applicant for a credit insurance agent license
2 under this article shall submit each of the following to the
3 commissioner:

4 (1) A written application for licensure signed by the applicant
5 or an officer of the applicant, in the form prescribed by the
6 commissioner.

7 (2) A certificate by the insurer that is to be named in the credit
8 insurance agent license, stating that the insurer has satisfied itself
9 that the named applicant is trustworthy and competent to act as its
10 insurance agent limited to this purpose and that the insurer will
11 appoint the applicant to act as its agent in reference to selling or
12 soliciting the kind or kinds of insurance that are permitted by this
13 article, if the credit insurance agent license applied for is issued
14 by the commissioner. The certification shall be subscribed by an
15 officer or managing agent of the insurer on a form prescribed by
16 the commissioner.

17 (3) An application fee, and each license period thereafter, a
18 renewal fee, in an amount or amounts determined by the
19 department as sufficient to defray the department's actual costs of
20 processing the application or renewal and implementing this article.

21 The limitation on fee increases of 10 percent without prior
22 approval of the Legislature set forth in Section 12978 shall not
23 apply to the application or renewal fee set forth in this subdivision
24 during the years 2002, 2003, and 2004.

25 (b) Notwithstanding any other provision of law to the contrary,
26 the provisions set forth in Sections 1667, 1668, 1668.5, 1669, 1670,
27 1720, 1738, and 1739 apply to any application for or issuance of
28 a license, or any application for or approval of an endorsee,
29 pursuant to this article.

30 (c) (1) Not less than 60 days before a permanent license will
31 expire, the commissioner may use an electronic delivery method,
32 including e-mail or other similar electronic method of delivery, to
33 deliver, or may mail, to the latest e-mail or mailing address
34 appearing on his or her records, an application to the licensee to
35 renew the license for the appropriate succeeding license period. It
36 is the licensee's responsibility to renew whether or not a renewal
37 application is received. The commissioner may accept a late
38 renewal without penalty, provided the licensee's failure to comply
39 is due to a clerical error or inadvertence on the part of the
40 department.

1 (2) An application for renewal shall be filed on or before the
2 expiration date.

3 (3) The application for renewal of an expired license may be
4 filed after the expiration date and until that same month and date
5 of the next succeeding year. A licensee who files a renewal
6 application after the license has expired shall be charged, in
7 addition to the renewal fee, a penalty of 50 percent of the renewal
8 fee for the credit insurance agent license and all endorsees.

9 (d) Costs associated with any enforcement action or investigation
10 shall be paid for by the person or organization licensed pursuant
11 to this article.

12 SEC. 19. Section 12418.3 of the Insurance Code is amended
13 to read:

14 12418.3. (a) Each certificate of registration issued under this
15 article shall be for a three-year period beginning on the date the
16 certificate is issued.

17 (b) Not less than 60 days before a certificate of registration will
18 expire, the commissioner may mail or use an electronic delivery
19 method, including e-mail or other similar electronic method, to
20 deliver an application to renew the certificate to the latest e-mail
21 or mailing address appearing on the registrant's records. It shall
22 be the responsibility of the registrant to renew his or her certificate,
23 whether or not a renewal notice is received.

24 (c) The application for renewal of an expired certificate of
25 registration may be filed after the expiration date and until the
26 same month and day of the next succeeding year. In addition to
27 the fee for a renewal application, a delinquent application fee in
28 the amount of fifty dollars (\$50) shall be assessed for each
29 application for renewal filed after the expiration date. Each
30 registrant shall be subject to payment of delinquent application
31 fees under this subdivision. The commissioner may waive the
32 delinquent application fee, or accept a renewal filed after the date
33 specified in this subdivision, if the registrant's failure to comply
34 is due to clerical or other inadvertent error on the part of the
35 department.